Dear Mr. Secretary,

I enclose herewith a draft of the Treaty of Peace which the Government of Israel would be prepared to conclude with the Egyptian Government. We would be prepared to conclude similar Treaties with the other neighbouring Arab States involved. These drafts would constitute our proposals for negotiation on a bilateral basis with the respective Arab States, namely Egypt, Syria, Jordan and (possibly) Lebanon.

As regards certain of the issues outstanding between the Egyptian and Israeli Governments, and in particular that of the delimitation of territorial jurisdiction between the two countries, we have indicated in the appropriate articles of the draft that these are matters to be settled in annexes to the Treaty.

Nevertheless, I consider it useful at this stage to state the specific issues which our Government considers essential to apply in determining the respective limits of the territorial jurisdiction between Israel on the one hand and the participants in the Geneva Peace Conference, Egypt, Syria and Jordan, on the other hand, in accordance with the principles presented by the Prime Minister to the President, during their private talk in the White House on 19 July 1977.

These guidelines are as follows:

1. <u>General Principle</u>

In seeking a solution to the outstanding problems of territorial delimitation, the parties should be guided by the general principle that the respective national and security interests of all of them should be equally taken into account.

2. <u>Israel and Egypt</u>

(a) Any settlement should take fully into account the need to ensure Israel's security.

(b) The right of Israel to unimpeded freedom of navigation and overflight through and over the straits of Tiran and the

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Gulf of Aqaba should be ensured. For this purpose Israel will retain territorial control over Sharm-El-Sheikh and the Tiran Straits including territorial continuity to Eilat.

(c) In order to maintain the security of its southern areas, the outer limits of Israel's territorial control from the Mediterranean Sea to the Gulf of Aqaba should run west of the previous international boundary, in such a manner as to incorporate an area on the Mediterranean Coast south of the Gaza Strip.

(d) West of the areas under Israeli control, there shall be as part of the security arrangements, continuous buffer zones, demilitarized zones, and areas of limited armament and forces.

(e) Subject to these principles, and bearing in mind the means of implementation outlined above, Israel would be prepared in the context of a Peace Treaty, for a substantial withdrawal of its forces from the existing line in the Sinai Peninsula.

3. <u>Israel and Syria</u>

In the context of a Peace Treaty Israel is prepared to negotiate a new boundary to replace the present cease-fire line between the States.

The delimitation of the respective territories, and the security arrangements, should be such as to ensure Israel's water sources, and the security of its northern areas.

4. <u>Israel and Jordan</u>

(a) In Judea and Samaria equal rights and full co-existence should be ensured between Jew and Arab.

(b) No part of this area should be subjected to any foreign rule or sovereignty.

(c) Any settlement should take Israel's security needs fully into account. In this context our position is that Israel's security on the eastern border should be based on the Jordan River.

In addition to the territorial issues, as to which our views have been outlined above, a comprehensive peace settlement must also make full provisions for the refugees, both Arabs and Jewish.

In my forthcoming discussions with the United States Government, I will, if requested, elaborate the views of the Israeli Government set forth in this letter.

In this letter I have set out the basic principles relating to Israel's national and security interests, which need to be implemented if a just and lasting peace is to be achieved in this Area. I have also set out some of the modalities by which our Government considers that these principles can best be implemented. However, we are ready to approach in a completely unprejudiced and open-minded manner any other proposals that may be made by the Arab States. As we have previously stated, we shall enter into the negotiations without any pre-conditions, and regard all issues as being subject to negotiation. The Arab States concerned should enter into the negotiations in the same spirit.

The proposals contained in this letter are intended to be implemented within the context of final peace treaties with our neighbouring Arab States.

Sincerely yours,

Moshe Dayan

His Excellency
Mr. Cyrus Vance
Secretary of State
Washington, D.C.

Jerusalem, 2 September 1977